

Local Council Tax Support Scheme 2013/2014

This Local Council Tax Support Scheme (LCTS) has been introduced to help pensioners and people of working age, on low incomes, to pay their Council Tax.

The Government has reduced funding for help with paying Council Tax by 10% from 1 April 2013, but stated that pensioners and 'vulnerable' working age people should be protected, therefore most working age people will have to pay something towards their Council Tax liability.

People who have reached the qualifying age for state pension credit (pensioners) will be able to claim help at the same level as they would have done under the present Council Tax Benefit scheme. The Government also requires local Councils to take steps to identify and protect vulnerable people. Wirral Council has decided that the following groups of people will be treated as 'vulnerable':

- Working age people who receive a war pension
- Working age people who meet the criteria for the Disability Premium, Enhanced Disability Premium or the Severe Disability Premium
- Working age people who meet the criteria for the Disabled Child Premium
- Working age people who are in receipt of Employment and Support Allowance-Support component

The Government has prescribed in law how the scheme for pensioners will operate, therefore this document focuses on how the new LCTS scheme will operate for working age people in Wirral (whether they are regarded as vulnerable people or not). The scheme will be subject to a yearly review.

An application for a 'discretionary reduction' in Council Tax liability can be made in accordance with section 13A (1)(c) of the 1992 Act (reduction of liability for Council Tax).

The main changes to the existing scheme for working age people who are **not regarded as vulnerable** are as follows:

- Local Council Tax Support will be based on a maximum of 78% of the total Council Tax Liability (after any discounts are awarded)
- Second Adult Rebate will be abolished
- Claimants with more than £6,000 capital will not be eligible to receive any help
- A standard non-dependent deduction of £10.95 per week will apply
- Claims will not be backdated for **any** working age people

Wirral's Protected Groups – changes in circumstances

If a claimant who is 'protected' ceases to meet any of the above criteria, they will normally no longer be classed as protected from the Monday following the date the change occurs. The exception will be if the change is due to the death of the person via whom protection was derived (for example a couple where one person is disabled and his or her death results in disability benefit(s) being withdrawn), in which case protection may be retained for the remainder of the financial year

If a claimant starts to meet the criteria for gaining protection after 1 April 2013, they will be classed as vulnerable and protected. This will normally be from the Monday following receipt of the Council Tax Support application form or the Monday following the date the change occurred provided Wirral Council receives notification within one calendar month.

Prescribed Requirements for People of Working Age applying for Council Tax Support on or after 1 April 2013

The Government regulations inform local Councils how the arrangements for making and deciding claims will work. Wirral's Council Tax Support scheme reflects these regulations. The full regulations are available for inspection.

The following paragraphs reflect interpretation and understanding of the regulations:

Persons from Abroad

The Government intends to apply the same restrictions as exist under the Council Tax Benefit Scheme to exclude foreign nationals with limited immigration status and certain non-economically active EEA individuals from receiving Local Council Tax Support.

Refugees

Those persons that have recognised refugee status, humanitarian protection, discretionary leave to remain in the country outside of the immigration rules and who are exempt from the habitual residence test will be entitled to apply for Council Tax Support as long as their status has not been revoked.

Date on which entitlement is to begin

Entitlement to Council Tax Support will normally begin on the Monday following the date the claim, or intention to claim is received by the Council
If a claim for Council Tax Support is made within the same week (Monday to Sunday) as the claimant's liability for Council Tax begins any entitlement shall be awarded from the date of liability. Other rules apply in certain circumstances.

Date on which change of circumstances is to take effect

Changes in circumstances will generally be effective from the Monday following the date of the change. Regulations will prescribe certain circumstances when an earlier date may be used, including where there is a change to Council Tax liability.
For vulnerable groups please refer to Wirral's Protected Groups on page 1 as special rules apply. Overpayments resulting from late notification of changes in circumstances will normally be recovered.

Who should claim

In the case of couples one partner must make the claim for both members of the couple.
A claim may be made by a third party if the claimant is unable to act for themselves.

Time and manner in which claims are to be made

A claim for a Council Tax Support should be made in writing on the appropriate form. Claim forms are available from the Council Library One Stop Shops, One Stop Shops, Libraries and the Call Centre. Alternatively a form is available to download from the Councils website – www.wirral.gov.uk.

Evidence and Information

The claimant must supply the Council with the information and evidence it reasonably requires in order to assess entitlement to Council Tax Support.

This information must be provided within one month of any request or the claim will be treated as withdrawn. This time limit may be extended on request made in advance.

Amendment and withdrawal of claim

A claim for Council Tax Support can be withdrawn at any time.

Duty to notify change of circumstances

Changes can be notified in writing, by telephone or electronically

The claimant or partner is required to notify the Council promptly of any change in their circumstances which they believe may affect their entitlement to Council Tax Support or the level of support granted. Changes to be reported include changes in family composition, household membership, income, capital and personal details.

Decisions by a relevant authority

Once the Council has received a completed claim, and all the information and evidence it reasonably requires, it will reach a decision on the claim within 14 days or as soon as reasonably practicable after that. The decision will be notified by issuing a new Council Tax bill and a notification letter. Details of how to request further information or appeal a decision will be included with the notification letter.

Time and manner of granting Council Tax Support

Payment of Council Tax Support will be in the form of a credit to the Council Tax account. The yearly award of Council Tax Support will be shown on the Council Tax bill. A summary explaining how the Council Tax support has been calculated will be contained in the notification letter.

Person to whom support is to be paid

Council Tax Support will be awarded to the taxpayer or their appointee who is named on the bill.

Recovery of overpayments

All overpayments of Council Tax Support, however they were caused, will normally be recovered in full. This includes all errors made by the claimant or their partner, family members, appointees, errors by the Council or its agent or other areas of Government. Overpayments will normally be recovered by charging the claimant's Council Tax account and issuing a new bill.

Decisions

Any document required to be given or sent to the Council shall be treated as having been given or sent on the day it is received by the Council

Any notice or other document required to be given or sent by the Council shall be sent to the persons last known address and treated as given or sent on the day it was posted.

An original decision may be revised by the council at any time, the Council Tax account will be adjusted accordingly and a revised bill issued.

A claimant, partner or appointee who is unhappy with a decision can write to the council stating the matter and grounds of the grievance, within one calendar month of receiving notification of the decision.

On receipt of an appeal, the council will reconsider the matter and respond in writing. If the appeal is successful an adjustment will be made to the Council Tax account and a revised bill issued. If the appeal is unsuccessful and the appellant is still aggrieved, or has not received a response within 2 months, an appeal can be made to the Valuation Tribunal.

Who Can Claim

This scheme is open to individuals who, on any day, are liable to pay Council Tax on a dwelling occupied as their sole or main residence.

The amount of support will be calculated using a means test. This means test will compare income known as a "Living Allowance" for the person claiming, their partner and any dependent children (the family).

A claimant (and partner), with capital of £6,000 or more will not be entitled to Council Tax Support. Vulnerable people with capital of £16,000 or more will not be entitled to Council Tax Support.

The income of the claimant and partner will be added together for the purpose of calculating Local Council Tax Support. Some income types will not be counted into the calculation for support these are:

- Attendance Allowance
- Disability Living Allowance – care component
- Disability Living Allowance – Mobility component
- Child benefit, Child tax Credit (if claimant/partner are aged 60+)
- Foster or Adoption Allowance, Guardians Allowance
- Maintenance for children Voluntary/Court Order Maintenance
- In work credit – currently paid at £40.00
- Return to work credit currently paid at £40.00
- Self Employed Credit
- Job Start Allowance
- Social Fund payments
- Independent Living fund
- Expenses for volunteers or charity workers
- War Disablement pension, War Widows pension

- Educational maintenance allowance
- Keep from members of the household
- Travelling/living away allowances for people who are on MSC training courses
- Reimbursed Travel cost (e.g. home helps etc)
- Payment for temporarily looking after elderly or disabled people
- Net loan interest from a home income plan
- Charitable payments

Temporary Absence

Council Tax Support may still be claimed, in certain circumstances, where a person is temporarily absent from the home upon which support is claimed. Periods of temporary absence for up to 13 weeks are not counted, providing that the home is not let or sub let during the time of absence, and the person intends to return, or is in residential accommodation on a trial basis.

Periods of absence which are unlikely to exceed 52 weeks will not be counted in the following circumstances

- The person is absent providing care which has been approved by a medical practitioner.
- The person is absent caring for the child of a person undergoing medical treatment, medically approved convalescence or is a patient in hospital or similar institution.
- The person is absent because they or their partner or dependent child is undergoing medical treatment, medically approved convalescence or is a patient in hospital or similar institution.
- The person is a student or following a training course
- The person is detained in custody or required as a condition of bail to reside elsewhere
- The person is absent because of fear of domestic violence providing that the property is not let or sub let during the time of absence, and the person intends to return

Membership of a Family

Council Tax Support is calculated based upon a means test which takes into account income, capital and “living allowance” for the claimant and where appropriate members of their family.

A person’s family includes:-

- their partner
- any child or young person they are responsible for and who is a member of the same household.

Where a child or young person lives in different households or where there is a question as to where the child is living the council will decide which household the child will be treated as residing in for the purposes of calculating Council Tax Support. This may be done by reference to decisions made in relation to other benefits claimed. A child will be treated as residing in only one household for any benefit week.

Foster children or children placed for adoption will not be treated as part of the claimant's household.

Children not living with the claimant and who are in local authority care or placed with another family for adoption will not be treated as part of the claimant's household.

Living Allowances

The Living Allowance will be made up of a number of elements. These may include, depending upon individual circumstances:-

- A personal allowance for the claimant and partner
- An amount for every child or young person who is a member of the family
- A "family addition" where at least one child or young person is part of the family
- Additions which may apply in special circumstances.

The amounts to be included in the living allowance are detailed below:-

Personal Allowances	
Single applicant who is entitled to main phase Employment and Support Allowance	£71.70
Single applicant is aged 25 over	£71.70
Single applicant is aged 18 but less than 25	£56.80
Lone Parent	£71.70
Couple	£112.55
Plus for every child or young beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday	£65.62
Plus for every household which includes a child or young person beginning on the first Monday in September following that person's sixteenth birthday and ending on the day preceding that person's twentieth birthday.	£65.62
Special Circumstances Addition – only one of the following can apply.	
Disability Addition -claimant or partner is in receipt of one or more of the following:- <ul style="list-style-type: none"> • Attendance Allowance • Disability Living Allowance • Mobility Supplement • long term Incapacity Benefit • Severe Disablement Allowance • disability or severe disability element of working tax credit • Personal Independence Payment or is registered blind 	Single £31.00 Couple £44.20

Employment and Support Addition- Claimant or partner in receipt of the work related activity component of Employment and Support Allowance	£28.45
Employment and Support addition - Claimant or partner in receipt of the support component of Employment and Support Allowance	£34.80
Special Circumstances Additions- these additions can apply as well as any others awarded.	
Severe Disability Addition- for a single claimant or lone parent where:- claimant is receiving attendance allowance or the care component of disability living allowance at the higher or middle rate and no non dependant adults reside with him/her and no one is in receipt of a carers allowance for looking after him/her. For a couple, both partners must receive attendance allowance or the care component of disability living allowance at the higher or middle rate and no non dependant adults reside with them and no one receives carers allowance for looking after both partners	Single £59.50 Couple one qualifies £59.20 Couple both qualify £119.00
Enhanced Disability Addition- where the claimant has limited capability for work related activity <i>or</i> the highest rate care component of disability living allowance is payable in respect of the claimant or any member of the claimants family.	Single £15.5 Couple £21.75 Child £23.45
Disabled Child Addition- where a dependent child receives disability living allowance or is registered blind.	£57.89
Carers Addition- Claimant or partner is entitled to Carers Allowance	£33.30

Income and Capital

The income of the claimant and partner will be added together for the purpose of calculating Council Tax Support.

Income will be calculated on a weekly basis.

The income to be taken into account will be the likely average weekly income of the claimant and partner. This will be calculated over such a period as is likely, in the opinion of the council, to provide the most accurate estimate.

In the case of earnings from employment, where employment is due to commence an estimate of likely earnings will be based upon information available from the employer

Earnings from employment

The amount of earnings to be taken into account shall be gross earnings less any amount deducted from those earnings in respect of:-

- Income tax
- Primary Class 1 National Insurance Contributions
- One half of any personal or occupational pension contribution.

Child Care Charges

Child care charges up to a maximum of £175 for one child or £300 for two or more children, will be deducted from earned income plus income from Working Tax Credit and Child Tax Credit where:-

- a single claimant works 16 hours per week or more
- both members of a couple work 16 hours per week or more
- where one member of a couple works 16 hours per week or more and the other member of the couple are disabled and the disability addition is included in the couples living allowance due to this disability.
- where one member of a couple works 16 hours per week or more and the other member of the couple is on maternity leave and receiving statutory maternity pay or maternity allowance.

The child must be under 15 years of age or 16 if they are disabled, and the care must be provided by one of the following:

- A registered childminder.
- A registered nursery or play scheme.
- An out of hours scheme run by an approved provider.
- An out of hours club provided by a school on school premises. This applies only if the child is aged 8 or over.

Self employed earnings

Earnings from self employment shall be calculated as the net profit of the employment. The calculation of net profit will be based upon that used for housing benefit and the default council tax support scheme. Some expenses allowable by HMRC are not allowable in the calculation of Council Tax Support.

Deductions will be made for income tax, national insurance contributions and one half of allowable personal pension contributions.

For childminders, one third of the gross profit will be used to calculate income.

A net profit will then be derived by deducting tax, national insurance, 50% of pension contributions and expenses.

In cases where tax and national insurance contributions are not provided, the Council will estimate the figures.

The following disregards from earnings will apply:-

The higher of any of the following which apply	
A standard disregard for a single person	£10 per week
A standard disregard for a couple	£15 per week
A standard disregard for a lone parents	£30 per week
Where the living allowance includes an amount in respect of <ul style="list-style-type: none"> • Disability addition • Severe disability addition • Work related activity component • Support component • Carers addition 	£25 per week
Plus an additional earnings disregard where:- The 30 hour premium is paid with Working Tax Credit or Claimant or partner is aged 25 or over and works 30 hours or more per week Or claimant and partner have a dependent child and at least one of them works 24 hours per week The claimant is a lone parent and works 16 hours or more each week The disability addition is included in the living allowance and the disabled partner works 16 hours or more each week.	£17.10

Income other than earnings

Any income of a claimant or partner other than earnings will be taken into account. Certain amounts will be disregarded in the calculation of income other than earnings, and it is intended that this will replicate the provision in the current Council Tax Benefit regulations except that the current local arrangement to disregard the whole amount of a war widows or war disablement pension will continue.

Welfare Reform changes will introduce two new benefits - Universal Credit and Personal Independence Payments part way through the first year of operation of this scheme. New claimants will be migrated onto these benefits over time so both old and new benefits will co-exist for a number of years. It is proposed that an equivalent approach, for an individual on the new benefit will be incorporated within the Council's Council Tax Support scheme, so for example Personal Independence Payments will be treated in the same way as Disability Living Allowance, and fully disregarded.

The full list of disregarded income can be found at Appendix 1

Where deductions are being made from income in recovery of overpayments, by public bodies, the gross income amount will be taken into account.

Notional Income

Where a claimant or partner has deprived himself of income in order to secure entitlement to Council Tax Support the council shall treat the income as though it was still received.

The Council shall also treat any income available to the claimant or partner, but not claimed or received, as income.

Capital

All capital held by the claimant and partner will be taken into account
In cases where capital is jointly held with others the council will apportion the capital as considered appropriate.

The capital cut off limit for Local Council Tax Support is £6,000 (£16,000 for vulnerable people).

Some items of capital will not be taken into account in the calculation of Council Tax Support. A full list of disregarded capital can be found at Appendix 1

Notional capital

A claimant shall be treated as possessing capital of which he has deprived himself, in order to secure entitlement to Council Tax Support.

Students

Most full time students are exempt from payment of Council Tax and also excluded from receiving Council Tax Support.

When considering a claim from a liable student the Council will apply the rules as contained in the default Council tax support scheme which will mirror the current Council Tax Benefit provisions.

Maximum Council Tax Support

The amount of a person's maximum Council Tax Support for a day which they are liable to pay Council Tax will be 78% of their Council Tax liability (for vulnerable people it will be 100% of their Council Tax liability)

The amount of maximum Council Tax Support for any day will be calculated as 78% or 100% of A divided by B where:

- a) A is the amount of Council Tax set for the financial year for the dwelling the person resides in and for which they are liable, less any discount which applies
- b) B is the number of days in that financial year

less any non-dependant deductions.

Where a person is jointly and severally liable for Council Tax for a dwelling they reside in, which they are liable with one or more other persons (except students who are not entitled to Council Tax Support), the maximum amount of Council Tax Support will be the maximum Council Tax Support divided by the number of people who are jointly and severally liable. This will not apply if the only person they are jointly and severally liable with is their partner.

Non-dependant deductions

A non-dependant is any person who normally resides with the claimant, with the exception of the following:

- a) The claimant's partner

- b) Any child or young person who is a member of the claimant's family.
- c) Foster children
- d) Any person with whom the claimant is jointly and severally liable to pay Council Tax for the same dwelling
- e) Any person liable to pay rent to occupy the same dwelling, other than close relatives or people with tenancies that are classed as non-commercial
- f) A person who lives with the claimant to provide care for them or their partner, who has been engaged by a voluntary or charitable organisation which makes a charge to the claimant or their partner for the services provided by that person

Non-dependant deductions – working age

A deduction from a person's maximum Council Tax Support will be made for non-dependants, as follows:

- a) A non-dependant aged 18 or over in remunerative work where their normal gross income is;
 - i) less than £186.00 the deduction will be £10.95 per week
 - ii) between £186.00 and £322.00, the deduction will be £10.95 per week
 - iii) between £322.00 and £401.00, the deduction will be £10.95 per week
 - iv) £401.00 or over, the deduction will be £10.95 per week
- b) A non-dependant aged 18 or over not in remunerative work, the deduction will be £10.95 per week.

Non-dependant deductions – vulnerable people

- a) A non-dependant aged 18 or over in remunerative work where their normal gross income is;
 - i) less than £186.00 the deduction will be £3.65 per week
 - ii) between £186.00 and £322.00, the deduction will be £7.25 per week
 - iii) between £322.00 and £401.00, the deduction will be £9.15 per week
 - iv) £401.00 or over, the deduction will be £10.95 per week
- b) A non-dependant aged 18 or over not in remunerative work, the deduction will be £3.65 per week.

In calculating the gross income of a non-dependant, any amounts which would normally be disregarded for a Council Tax Support claimant, will also be disregarded for a non-dependant.

Only one non-dependant deduction will be made for a couple, and the amount deducted will be based on their joint income, calculated as above.

Where a person is jointly and severally liable for Council Tax for a dwelling they reside in, which they are liable with one or more other persons, the amount of the non-dependant deduction will be apportioned equally between those liable persons.

Non-dependant deductions will not be made in the following circumstances:

- a) Where the claimant or their partner is blind or treated as blind

- b) Where the claimant or their partner receives Attendance Allowance or the care component of Disability Living Allowance
- c) Where the non-dependant normally resides elsewhere
- d) Where the non-dependant receives a training allowance
- e) Where the non-dependant is a full-time student
- f) Where the non-dependant is not residing with the claimant because they have been an in-patient for more than 52 weeks (without any break exceeding 28 days)
- g) Where the non-dependant receives Income Support, Income Based Jobseekers Allowance, Income Related Employment and Support Allowance, or Pension Credit
- h) Where the non-dependant is aged under 18.

Local Council Tax Support taper

The percentage of excess income over the living allowance which will be deducted from the weekly maximum Council Tax Support will be 20%.

Extended payments

A person who is entitled to Council Tax Support will be entitled to an extended payment where:-

- a) Entitlement to Income Support, Income Based Job Seekers Allowance or Income Related Employment and Support Allowance has ceased because the claimant or their partner;
 - i) Commenced employment as an employed or self-employed earner, or
 - ii) Increased their earnings from their employment. or
 - iii) Increased the number of hours in their employment,

And that employment, increased earnings or increased number of hours are expected to last five weeks or more: - .

and

- b) Immediately prior to the benefit above ending the claimant or their partner were entitled to any combination of the benefits listed below for a continuous period of 26 weeks :-
 - i) Income Support, or
 - ii) Jobseekers Allowance (Income Based or Contributory), or
 - iii) Employment and Support Allowance (Income Related or Contributory), or
 - iv) Incapacity Benefit, or
 - v) Severe Disablement Allowance

Providing that the person remains liable for Council Tax at the dwelling in which they reside during the extended payment period.

Duration of the extended payment period

The extended payment period will start on the day after Council Tax Support would normally have ended after the qualifying benefit has ceased and will last for 4 weeks or up to the day Council Tax liability at the dwelling in which they reside ends, if this is earlier.

Amount of the extended payment

The amount of the extended payment will be the higher of:

- a) The amount of Council Tax Support which the claimant was entitled to before the qualifying benefit ceased, or
- b) The amount of Council Tax Support which the claimant is entitled to after the qualifying benefit ceased.

Extended Payments for People Approaching State Pension Credit Age

An individual who is approaching pension credit age and

- who is in receipt of Council Tax Support and
- who is not in receipt of Income Support, Income Based Job Seekers Allowance or Income Related Employment and Support Allowance

will continue to receive an extended payment of Council Tax Support for 4 weeks whilst they or their partner apply for the pension age Council Tax Support scheme. They will be paid, for those 4 weeks, whichever award is the greater.

Disregards for Income other than Earnings

The whole amount of the following income types are ignored in the calculation of Council Tax Support:-

1. Income support
2. Income based Job Seekers Allowance
3. Income related Employment and Support Allowance
4. In Work Credit / Return to Work Credit / Job Grant
5. Disability living Allowance / Personal Independence Payments
6. Attendance Allowance
7. War Disablement Pension / War Widows or Widowers Pension
8. Child Benefit
9. Child Maintenance Payments for children or young people who are members of the family.
10. Housing Benefit
11. Charitable and voluntary payments and 'payments in kind'
12. Christmas Bonus / Winter Fuel Payments / Cold Weather Payments
13. Social Fund payments
14. Fostering Allowance / Guardian's Allowance
15. "Board" payments from non dependants
16. Some types of student income

The whole amount of the following capital types are ignored in the calculation of Council Tax Support:-

1. The dwelling normally occupied by the claimant as their home.
2. Property other than your normal home owned by the claimant or partner in certain circumstances. Please note there are a number of different rules relating to other properties, please contact the Local Authority directly for more information.
3. Any arrears of state pensions or benefits.
4. Arrears of tax credits (for a set period of time).
5. Any personal possessions.
6. Any social fund payment or its equivalent.
7. Any payment in kind made by a charity.

The above lists are not exhaustive, for more information please contact us directly.

Definitions

working age	A person who has not yet attained the qualifying age for state pension credit , or a person who has attained the qualifying age for state pension credit and that person, or their partner receives income support, income based job seekers allowance or income related employment and support allowance.
partner	A person's partner is their husband, wife, civil partner or person they live with as if they were married or in a civil partnership with them.
child	A child is a person under the age of 16.
young person	A young person is someone aged 16 up to the age of 20 years normally living with the person claiming and receiving full time education.